

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS
Minutes of Board Meeting held April 10, 2007

A regular workshop meeting of the Board of Supervisors of Lower Paxton Township was called to order at 7:53 p.m. by Chairman William B. Hawk on the above date and time at the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Hawk were: William C. Seeds, Sr., William L. Hornung, Gary A. Crissman, and David B. Blain.

Also in attendance were George Wolfe, Township Manager; Steve Stine, Township Solicitor; Lori Wissler, Planning and Zoning Officer; Ted Robinson; and Watson Fisher.

Pledge of Allegiance

Mr. Blain led in the recitation of the Pledge of Allegiance.

Public Comment

No public comment was provided.

Review of the Walnut Street Corridor Study

Ms. Wissler explained the Walnut Street Corridor Redevelopment Study is a joint effort of the City of Harrisburg, Penbrook Borough, Susquehanna and Lower Paxton Townships. She noted that the study area starts at the Capital building on State Street and proceeds to Allentown Boulevard at the West Hanover Township border. She noted that the initial study was to stop at Colonial Road, but Representatives Ron Marsico and Mark McNaughton, and Congressman Timothy Holden requested that it be extended to the West Hanover Township line.

Ms. Wissler explained that the main focus of the study is to improve traffic movement, pedestrian safety, aesthetics, and economic development. She noted that the study members were provided a copy of the draft study completed by McCormick Taylor, and she requested the Board members to review the section that applied to Lower Paxton Township. She noted that the majority of the study area is located in the Borough of Penbrook.

Ms. Wissler noted that the study recommended sidewalks for the Township on both sides of Route 22, a possible landscaped medium, and creation of a multi-use mix zone along the corridor. Mr. Wolfe noted that it is ridiculous to attempt to build a landscaped medium in the middle of Route 22 since the Township needs as much room as possible for traffic lanes. Mr.

Hornung noted that the study suggested that sidewalks be installed, with a green buffer as well. Mr. Wolfe suggested that just to accomplish this for one side of Route 22 would require the removal of many buildings to accommodate the needed extra space. Ms. Wissler noted that Mr. Seeds stated to the committee that the concept was impractical.

Mr. Seeds questioned how the Township could accommodate a 13-foot medial, a 13-foot bus lane on both sides of the street, and sidewalks. He noted that the requirement for sidewalks is a good idea, but he questioned the recommendation that the malls and shopping centers should include a change in zoning to allow for a mixed use for commercial, business campus, and residential. He noted that his comments also included that this would not be good, but the recommendation remained in the study.

Mr. Hawk noted that some of the recommendations are nice, but very impractical. Ms. Wissler noted that they are only recommendations. Mr. Hawk noted that if the roadway was starting from scratch; it would be a nice idea. Mr. Wolfe noted that it was the Board's wish not to have Linglestown Road turn into a Route 22 situation; therefore, setbacks were developed to address future roadway issues. He noted that these setbacks would allow the Township to address future transportation needs for buses, bicycles, pedestrians, and additional lanes of traffic. He noted that this space is not available for the Route 22 corridor without tearing down existing structures.

Mr. Seeds suggested that Route 22 is looking much better then it did ten years ago due to the zoning changes. He questioned how all the recommendations could be implemented.

Mr. Seeds noted that the time frame included with the recommendation was to add trees along the corridor within the next five years and change the zoning to allow for mixed uses. In the five to ten year time period, the cartway is to be widened, with adding transit and bicycle lanes in the ten to fifteen year time period. Mr. Seeds suggested that the Township would not want to change the zoning to allow for mixed uses. Mr. Wolfe noted that this would be acceptable for the area west of the Township line, but there are very few areas in the Township that could accommodate this. Mr. Seeds noted that this mixed use would be more appropriate for the Penbrook Borough and Susquehanna Township area of Route 22.

Ms. Wissler noted that the original scope of work was to stop at Colonial Road, but it was extended to the West Hanover Township line when there was a possibility of a Wal-Mart store at the Holy Name of Jesus Church site.

Mr. Wolfe questioned what was expected from the Township in relation to the study. Ms. Wissler suggested that the Committee is looking for a recommendation from the Board members,

but she would inquire as to what they are looking for. Ms. Wissler noted that the Planning Commission would review the study at their meeting on April 11, 2007.

Mr. Hornung suggested that some of the recommendations would be better placed in the alleys. Mr. Wolfe noted that the alleys in old Colonial Park will someday become an issue to the Township in the commercial sections. He noted that they serve as a secondary means of access for many commercial businesses. Mr. Hornung suggested that they would be good bicycle routes.

Mr. Seeds noted that he was in favor of sidewalks, but some of the other issues are not realistic. He noted that he would not want to change the uses. Mr. Hornung agreed. Mr. Seeds suggested that the Board members should recommend that they do not agree with some of the recommendations made in the study.

Mr. Hawk noted that the recommendation from this study is not included in the Dauphin County Comprehensive Plan. Mr. Wolfe noted that, several years ago, a Route 39 Study was completed and some of those recommendations were included in the Township's 2004 Comprehensive plan.

Mr. Wolfe noted that he would check to see what type of response the consultant is looking for, and prepare a letter or resolution stating the opinions expressed regarding the recommendations.

Review of the 2006 results of PMHIC self-insured, health care benefit program

Mr. Wolfe explained that in 1996, Lower Paxton, Swatara and Susquehanna Townships formed the Capital Regional Insurance Trust (CRIT). He noted that there are now 19 members in the CRIT encompassing three counties, and he has served as the chairman since the inception of the trust. He noted that the Township is the second largest member, followed by Chambersburg Borough.

Mr. Wolfe explained that the basic premise of CRIT was for the municipalities to pull together to purchase health care benefits without everyone having to purchase the same health care programs since many municipalities employed collective bargaining employees, and the health care benefits for each municipalities are different. He noted that CRIT was able to do cooperative purchasing but still maintain individual benefit structures. He noted that, originally, Susquehanna and Swatara Townships were rated as community rated employers with Lower Paxton Township being rated as an individual employer. He noted that the three municipalities received benefits from group purchasing.

Mr. Wolfe explained that as CRIT grew, the entities were able to share the liability and risk involved in insurance, and in 2006, CRIT became fully self insured, and purchased a benefit structure through Capital Blue Cross that is administered by The Benecon Group. He noted that the Township ended up with a year-end surplus net of \$158,086. He noted that this resulted in a 13% savings for the Township for overall health care costs for the year. He noted that the cooperative distributed 75% of the dividend to the membership last month, and the remaining 25% would be distributed when all results are final for the year.

Mr. Wolfe noted that the self insured program includes a stop-loss portion. He explained when the losses reach a certain part; the insurance covers the losses above a certain point. He noted that the Township recovered a portion of the benefits paid through the stop-loss insurance program as a result of a large health care claim by an employee who later died of cancer.

Mr. Wolfe noted that the profits received from the health care program for the cooperative insurance purchasing model go back to the partners in the cooperative, whereas, the profits from a fully insured model are maintained by the insurance company.

Mr. Wolfe explained that in the Central Pennsylvania region, five municipal health care cooperatives similar to CRIT have banded together to form the Pennsylvania Municipal Health Insurance Cooperative (PMHIC). He noted that the Township adopted a ordinance to participate in the PMHIC, and the stop-loss insurance is purchased for all five local cooperatives through the PMHIC trust.

Mr. Wolfe noted that the projected balance for the Township in 2006 is \$158,086. He noted that the Swatara Township Authority and Gettysburg Borough did not have positive results for the year. He noted that they did not have any distributions and there was cross-sharing from the surpluses from the other members to offset the losses experience by the two municipalities. Mr. Wolfe warned that a good year's performance might not always carry through to the next year, and in the future, the Township may not experience a year-end surplus. He noted that the Township did very well in the first year.

Mr. Wolfe explained that the Township is not large enough to be fully self-insured and to assume the stop loss risk, but by banding together it can share the risk with other municipalities. He noted that the Township is able to reduce the annual rate of increase for health care benefits by its membership in CRIT, and the cooperative allows the Township to receive the profits from the plan instead of the profits going to the insurance company.

Mr. Seeds noted that membership in CRIT is very similar to membership in the West Shore Council of Governments. Mr. Wolfe explained that The Benecon Group is the same

administrator that the Township uses to administer its Workers' Compensation Plan. He explained that to be a member in the CRIT, a municipality must have 25 employees, and be professionally managed. He noted that it has been discussed to include school districts in the future.

Mr. Wolfe noted that the Township continues to work closely with Capital Blue Cross to receive their discounts for health care providers and they work well with the Township.

Review of the Key Indicator Report for the 4th Quarter 2006

Mr. Wolfe distributed to each Board member a copy of the 2006 Annual Report to include the Key Indicator Report for the 4th Quarter for 2006.

Mr. Wolfe noted that for the 2006 end of the year budget, the Township had a deficit of \$98,933.00 of a budget of \$18,292,859. He noted that most of the capital projects for 2006 were funded out of the current year General Fund, which resulted in the transfer of \$1,200,000 from General Fund current year to the General Improvement Fund for capital projects. He noted if adjustments were made for operations only, the Township would have had a surplus in 2006 of \$1,100,000. He noted that the Township has a large number of capital projects to be completed over the next few years, and there is approximately \$10 million saved for the projects, with 25% of the funds held as a budgetary reserve. He noted that last year's capital projects totaled \$1.5 million, and over a \$1 million was funded from the current operations. Mr. Wolfe noted that if the Township decided not to complete any capital projects for the current year, the revenues are sufficient to provide for the expenses in 2007.

Mr. Wolfe noted that expenditures are growing faster than revenues, and this was the focus of numerous discussions during the strategic plan sessions. He noted that the Emergency Municipal Services (EMS) Tax offset the expenditure growth in 2005, which resulted in a planned reduction of real estate taxes for the Township. He noted that this resulted in a net increase of \$700,000.

Mr. Wolfe noted that the General Fund balance is slightly more than \$10 million, and the capital project listings for the years 2002 through 2006 can be found on page three of the report. He noted that the General Fund has, on an annual basis, supplied some of the funds for the capital projects. He noted that in the year 2002, the Township issued bonds in the amount of \$6 million that were used to pay for a portion of the capital improvements.

Mr. Wolfe noted that the chart found on page four of the Key Indicator Report shows that revenues and expenditures have grown significantly, and although the gap between the two has been significant in the past, in the past two years, the difference on an annual basis has been limited. He noted that for the end of 2006, the gap between revenues and expenditures was roughly \$100,000.

Mr. Wolfe noted that at the end of the 4th Quarter, the revenue for Real Estate Tax was 98%; Earned Income Tax, 96%; and the Emergency and Municipal Services Tax was 129%. He noted that there have been significant issues with the Township Tax Collector with the passing of Patsy Donmoyer, and also with the Earned Income Tax, in that the revenues do not seem to keep pace with the rate of inflation plus growth. He noted that the budget number was based on that assumption, and the Township did not hit its mark for this year 2006. He noted that the Township is working to address these issues with the Capital Tax Collection Bureau.

Mr. Wolfe noted that the Community Development Department revenues were significantly above budget due to the large permit fees received from the Central Dauphin School District. He noted that most departments were under budget, except for the Health Department, due to landfill maintenance activities. He noted that the overage in the Community Development Department resulted in additional costs for plan reviews. Mr. Seeds suggested that the Health Department's increase was also due to property maintenance issues such as the demolition of a home.

Mr. Wolfe explained that the State Aid Fund is approaching the \$1 million mark, and the funds are used for roadway paving, the purchase of anti-skid materials, and equipment for the maintenance of the roads. He noted that the Township attempts to zero this account out at the end of every year.

Mr. Wolfe explained that the Fire Equipment Capital Fund had a beginning balance of \$754,239, and earlier in 2007, Phase III of the Fire Equipment Capital Plan was adopted, and it is expected that another \$1.2 million will be spent over the next two years for fire equipment for the Township's three fire companies. He noted that the full amount for the funding should be available at the time payment would be due.

Mr. Wolfe noted that the General Improvement Fund includes the Village of Linglestown Project. He noted that he included a history of the project and a list of revenues for the project to include the \$2.65 million in federal Transportation Bill earmark, \$1,920,000 from PENNDOT TIP funds, and \$638,445 from the Hometown Street grant. In addition, the Township received a \$700,000 local grant from Dauphin County.

Mr. Wolfe noted that other primary funding source were grant funds, mostly Community Development Block Grant funds which paid for half of the costs for the Senior Center Annex at the Friendship Center which was completed last year.

Mr. Wolfe noted that Phase I activities for the Thomas B. George Jr. Park were completed last year, and staff is in the process of bidding the Phase II activities. He noted that the park should be completed in the year 2008.

Mr. Wolfe noted that some of the other projects found in the General Improvement Fund are the Page Road Extension Roadway, Nyes Road Corridor Engineering Study in conjunction with PENNDOT, and the Conway Road relocation engineering work.

Mr. Wolfe stated that the Friendship Center (FC) ended the year with a deficit of \$128,200. He noted that staff was not happy with this, but he noted that the Township has been fighting local competition, and has implemented a new marketing program that began in the fourth quarter of last year. He distributed a chart that showed the running three-year membership, updated to March of 2007. He noted that it seems that memberships bottomed out around October of 2006, and are now in an uphill trend. He explained that the blue line on the chart shows annual membership, and the purple line shows the total membership to include the monthly memberships. He noted that as of March 2007, the count is short of 2,300, and noted that this level has not been experienced for well over a year. He explained that Mr. Luetchford reviewed the marketing program with the Board members at a recent workshop session.

Mr. Wolfe noted that the FC is designed to be financially self-sufficient with the cost of operations paid by memberships and programs revenues. He noted that the revenues for memberships and programs in 2006 were greater than those realized in 2005, and although there was a decline in memberships, this was offset by the rise in the membership fees. He noted that the FC is offering the maximum level of programs available due to space limitations. He noted that additional revenue through programs would only occur by the raising of the fees for the programs. He noted that the biggest hope for revenue increases is through an increase in memberships, passes and rentals. He noted that last year, the FC was able to secure a Sunday morning church rental, and this will result in revenues of \$40,000. Mr. Hornung questioned how long the church's lease is for. Mr. Crissman answered that it is a two-year commitment. He suggested that the year-end budget for 2007 is projected to be somewhat better than for 2006. He noted that he did not know if the deficit would be completely eliminated.

Mr. Wolfe explained that the Township Authority Budget was approximately \$11.1 million, and as an enterprise fund, the Authority is permitted to enter a new budget year with a

deficit. He noted that the deficit for the 2006 year end was \$4,279.00. He noted that the Board has increased the rates for sewer service to \$94 per quarter for 2007.

Mr. Wolfe noted that the costs for the Spring Creek 1I and 1F projects are approximately \$4 million, with additional lining costs of \$255,000; the Paxton Creek 2B project is estimated to cost \$125 million for laterals and building sewers, and a number of smaller contracts over the course of the year are planned. He noted, at this time, no contractors are working for the Sewer Authority. He noted that bids are going out for work for three projects for the year, and the Authority is waiting for DEP Authorization of the Beaver Creek wet-weather treatment plant. He noted that a decision must be rendered to DEP on the Paxton Creek basin by June 30, 2007.

Mr. Wolfe noted that the Police Pension fund has assets of \$16,578,311 with an annualized rate of return of 10.3%, and the Non-Uniformed Pension Plan has assets of \$7,872,363 with an annualized rate of return of 10.9%. He noted that the pension plans did well for the year 2006.

Mr. Seeds questioned why the expenses for the State Aid Fund showed no paving for the year. Mr. Wolfe explained that Mr. Robbins completed more storm sewer work prior to the paving of the roadways to better prepare for the overlay of pavement. Mr. Wolfe explained that Mr. Robbins is creating a complete pavement management program, and it includes preparing streets, to correct problems that cause roadway deterioration, before paving is started. He noted that it does not make sense to install a new roadway surface over a bad base; therefore, Conway Road is scheduled for full-depth reclamation prior to being paved.

Mr. Seeds noted that many of the areas in the Township have roads that are more than 50 or 60 years old and he suggested that it would entail a huge amount of work to repave the roads. He noted that the condition of the roadways and storm sewers in the Forest Hills area is very bad. Mr. Wolfe noted that the problem with Forest Hills is attributed primarily to the high acid content of the groundwater. He noted that this is not experienced in other locations in the Township. Mr. Hornung suggested that a requirement should be added to the ordinances to specific that certain materials, such as plastic pipe, need to be used in areas such as Forest Hills or along the area of the mountain. Mr. Wolfe noted that he would add this to the list of items for the Subdivision and Land Development Ordinance (SALDO). He stated that any storm sewer replacements for the area would be made with the appropriate materials.

Mr. Seeds questioned if HRG, Inc. was contracted in 2006 for the SALDO review. Mr. Wolfe answered that it occurred in 2006. He noted that staff has worked with HRG, Inc for roughly six months on the SALDO review.

Mr. Seeds noted that on the second page of the Key Indicator Report under the General Improvement Fund, it states that the construction bids were issued during the 4th Quarter for the Linglestown Square project. Mr. Wolfe noted that that was not correct. Mr. Seeds noted that on the next page, it states that the FC Annex was completed at a cost of \$560,000, but he thought that he found a different amount quoted somewhere else in the report. Mr. Wolfe explained that the Township's share of the overall project was \$392,322 in 2006 and \$178,940 in 2005.

Mr. Seeds noted that the additional costs to maintain the Senior Center should have its own line item for the 2008 budget, and the Township should subsidize the FC for its cost to run the Senior Center. Mr. Crissman suggested that a formula be developed to calculate the costs to run the HVAC for the Senior Center, as well as the custodial costs. Mr. Wolfe noted that the FC is eating the costs for the maintenance of the Senior Center. Mr. Crissman noted that it is subsidize by membership costs, and it is not fair to the FC. Mr. Seeds suggested if it is shown as a separate item, then the Center may be eligible for grant funds. Mr. Crissman suggested that most grants are not geared for operating expenses. Mr. Wolfe noted that the FC deficit was made up by the Township's General Fund, and part of the deficit results from funding a Senior Center that provides no source of revenue.

Mr. Seeds suggested that it is not appropriate to pay for equipment replacement with FC Capital Funds since it is an operating cost.

Mr. Wolfe noted that he would have Mr. Luetchford compute the costs for the Senior Center to provide more discussion when budget discussions are held for the year 2008.

"Otta Know" Presentation: (no items scheduled)

IMPROVEMENT GUARANTEE

There were no improvement guarantees.

Adjournment

There being no further business, Mr. Seeds made a motion to adjourn the meeting. Mr. Blain seconded the motion, and the meeting adjourned at 8:55 p.m.

Respectfully submitted,

Approved by,

Maureen Heberle
Recording Secretary

Gary A. Crissman
Township Secretary